

Timing is Everything



Some helpful retirement planning tips from the IRS for 2008...

How much can you contribute to your retirement plan?

If you are a [401\(k\), 403\(b\), or governmental 457](#) plan participant:

- You can make up to \$15,500 in elective contributions. (Roth 401(k) or Roth 403(b) plan participants can defer a combined maximum of \$15,500 in after-tax and pre-tax elective contributions.)
- Age 50 and Older? You may be eligible to make “catch-up contributions” of up to an additional \$5,000. (457 plan participants may make larger catch-up contributions during the three years before retirement.)

If you are a [SIMPLE IRA or SIMPLE 401\(k\)](#) plan participant:

- You can make up to \$10,500 in pre-tax contributions.
- Age 50 and Older? You may be eligible to make “catch-up contributions” of up to an additional \$2,500.

Are you entitled to a tax credit for your contributions?

Low- and moderate-income taxpayers can save on taxes by saving for retirement. The [Saver's Credit](#) provides a tax credit of up to \$1,000 (\$2,000 if filing jointly) if you contribute to a traditional or Roth IRA, 401(k), 403(b), governmental 457, SARSEP, or SIMPLE plan.

To qualify for the credit, adjusted gross income from IRS Form 1040, 1040A, or 1040EZ (federal income tax return) cannot be more than:

- \$53,000, if married filing jointly;
- \$39,750, if head of household; or
- \$26,500, if single, married filing separately, or qualifying widow(er).

File [Form 8880](#), *Credit for Qualified Retirement Savings Contributions*, to calculate the credit.

Talk to your employer or visit www.irs.gov/ep for additional information on these items.

